

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 7698**

**BILL NUMBER:** SB 417

**NOTE PREPARED:** Jan 8, 2007

**BILL AMENDED:**

**SUBJECT:** Lottery Game for Veterans Assistance.

**FIRST AUTHOR:** Sen. Simpson

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
FEDERAL

**IMPACT:** State

**Summary of Legislation:** This bill requires the State Lottery Commission to adopt rules to establish a scratch-off game to benefit Indiana veterans. The bill establishes the Veterans Assistance Trust Fund. The bill also deposits revenue from sales of tickets for the scratch-off game into the fund. It makes an appropriation.

**Effective Date:** July 1, 2007.

**Explanation of State Expenditures:** This bill requires the State Lottery Commission to adopt rules to establish a scratch-off game to benefit veterans. The bill requires the sales receipts from the game less the amount paid as retailer commissions be deposited in the Veterans Assistance Trust Fund (Fund). (Note: The bill does not specify a reduction in net receipts to the Fund for prizes paid out by retailers on the veterans scratch-off game as is the case under current statute for other Hoosier Lottery games.)

The number of scratch-off tickets which would be sold under the bill is not known. The cost of the scratch-off ticket is not currently known and would be determined through rules adopted by the State Lottery Commission. The Indiana Lottery reports that the state experienced a 24.7% profit from scratch-off tickets during FY 2006. Thus, for each scratch-off ticket sold under the bill, the Fund would receive approximately \$.25 per dollar charged for the scratch-off ticket. Actual revenue for the Fund would be dependent on the number of scratch-off tickets sold. The Illinois Lottery reports that it sold approximately \$5.9 M worth of *Veterans Cash* \$2 scratch-off tickets during FY 2006. Assuming per capita sales in Indiana are comparable to Illinois, gross sales could potentially total \$2.9 M in Indiana. Assuming the veterans game experiences a comparable profit margin to other scratch-off games in Indiana, the Fund would receive approximately \$717,000 annually from that sales total.

*Establishment of the Veterans Assistance Trust Fund:* The bill established the Fund. The Veterans' Affairs Commission (Commission) is required to administer the Fund. The Fund consists of the following: money received by the Commission from the sale of tickets for a scratch-off game established by the State Lottery Commission; interest; appropriations from the General Assembly; donations, gifts, grants, and bequests to the Fund; and money received from any other source. The expenses of administering the Fund shall be paid from money in the Fund. Money in the Fund does not revert to the state General Fund at the end of a fiscal year. As proposed, the administrative duties of the Commission would increase.

The bill requires the Commission to adopt rules to: (1) establish programs to be funded by the Fund, (2) determine eligibility for programs established by the Commission under (1), and otherwise administer the Fund and programs. The Commission should be able to do so within its existing level of resources.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** State Lottery Commission; Commission on Veterans' Affairs.

**Local Agencies Affected:**

**Information Sources:** Tim Kuehr, Hoosier Lottery; Hans Zigmund, Illinois Department of Revenue; 2005 *American Community Survey*, U.S. Census Bureau. Illinois Lottery Instant Games, <http://www.illinoislottery.com/subsections/instant2.htm>.

**Fiscal Analyst:** Sarah Brooks, 317-232-9559; Jim Landers, 317-232-9869.